



State of Washington  
Department of Revenue

# Excise Tax Advisory

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Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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NUMBER: 381.04.161 **CANCELLED 02/15/01**

CONVERSION DATE: July 1, 1998

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## WHOLESALE SALES OF RYE AND MILO

Issued July 3, 1970

Are sales of rye and milo subject to the Wholesaling business tax rate of .0001 for wheat, oats, dry peas, corn and barley when sold by one who purchased such products in a manufactured or unprocessed state?

The taxpayer alleged that sales of rye and milo should be subject to the special tax rate, RCW 82.04.260(1). This section specifically allows those who buy wheat, oats, dry peas, corn, and barley, but not including any manufactured or processed products thereof, and selling the same at wholesale, to be taxed at the rate of .0001. The taxpayer contends this section should apply because (1) the grains in question bring the same markup as wheat, oats, dry peas, corn, and barley; (2) the milo and rye are not processed in any way; and (3) milo is nothing more than maize corn, while rye should be included in the lower rate because it is a similar farm product which was not sold in the state when the special classification was created by the legislature.

The department held that those products not specifically included under RCW 82.04.260 are not entitled to the special tax rate. Thus both milo and rye are subject to the Wholesaling business tax at the rate of .0044 in the present case. Milo is properly classified as a grain sorghum which is separate and distinctly different from corn. Neither milo nor rye were included by the legislature in the special rate at RCW 82.04.260, so the ordinary Wholesaling rate applies.

NOTE: Original ETB 381 issued June 19, 1970, erroneously showed the tax rate under RCW 82.04.260(1) as .001 instead of the correct rate of .0001.

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***ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.***

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